

108TH CONGRESS
1ST SESSION

S. CON. RES. 11

Expressing the sense of Congress regarding the Republic of Korea's continuing unlawful bailouts of Hynix Semiconductor Inc., and calling on the Republic of Korea, the Secretary of Commerce, the United States Trade Representative, and the President to take actions to end the bailouts.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 2003

Mr. CRAPO (for himself and Mr. ALLEN) submitted the following concurrent resolution; which was referred to the Committee on Finance

CONCURRENT RESOLUTION

Expressing the sense of Congress regarding the Republic of Korea's continuing unlawful bailouts of Hynix Semiconductor Inc., and calling on the Republic of Korea, the Secretary of Commerce, the United States Trade Representative, and the President to take actions to end the bailouts.

Whereas the government of the Republic of Korea has continually, and in violation of its international trade commitments, supplied financial aid to Hynix Semiconductor Inc. ("Hynix"), a failing semiconductor company;

Whereas the United States has strongly and repeatedly requested that the Republic of Korea refrain from these wrongful trade activities;

Whereas these bailouts have resulted in severe distortion of the world DRAM, semiconductor, and electronics markets to the detriment of major United States and other non-Korean producers;

Whereas the United States has continually provided military, national security, and financial aid to the Republic of Korea, including significant contributions to the International Monetary Fund financial package to prevent the Korean economy from going into bankruptcy;

Whereas Hynix exports the vast majority of its semiconductor production to nations outside of Korea, including to the United States and European nations;

Whereas, it was recently announced that Hynix would receive an additional \$4,000,000,000 in debt restructuring, eliminating Hynix's existing debt, an additional \$1,550,000,000 in a debt-for-equity swap, and an extension of \$2,500,000,000 with respect to other outstanding Hynix loans;

Whereas Hynix's creditor banks are providing another subsidy to Hynix in the form of \$188,000,000 in financing to a Chinese company to purchase Hynix's flat computer screen business;

Whereas the largest creditors of Hynix are institutions such as the Korea Development Bank and the Woori Bank, both of which are 100 percent owned by the government of the Republic of Korea; and

Whereas United States and Europe have been forced to initiate anti-subsidy investigations against the Republic of Korea: Now, therefore, be it

- 1 *Resolved by the Senate (the House of Representatives*
- 2 *concurring), That—*

1 (1) it is the sense of Congress that the actions
2 of the Republic of Korea with respect to the bailouts
3 of Hynix Semiconductor Inc. (“Hynix”) are severely
4 detrimental to the bilateral friendship and economic
5 relationships between the United States and Korea;
6 and

7 (2) Congress calls on—

8 (A) the Republic of Korea to—

9 (i) immediately cease any further bail-
10 outs of Hynix; and

11 (ii) immediately comply with all of its
12 obligations as a member of the World
13 Trade Organization, including its obliga-
14 tions regarding subsidies;

15 (B) the Secretary of Commerce and the
16 United States Trade Representative to—

17 (i) immediately take such actions as
18 are necessary to end any further bailouts
19 of Hynix, including the self-initiation of
20 further trade cases, the initiation of a fur-
21 ther government investigation of the finan-
22 cial impact of these bailouts, and the call-
23 ing of a special subsidies code meeting to
24 raise the legal concerns with this issue;
25 and

1 (ii) begin consultations with Congress
2 regarding appropriate legislative action to
3 fully deal with the impact of the bailouts
4 of Hynix; and

5 (C) the President to consult with the Euro-
6 pean Union regarding joint action with respect
7 to the unlawful subsidies to Hynix that are
8 harming the international DRAM, semicon-
9 ductor, and electronics markets.

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